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January 11, 2017

Via ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

**Re: WC Docket No. 16-363
Aureon Network Services
Notice of *Ex Parte***

Dear Ms. Dortch:

On January 10, 2017, Frank Hilton and Justyn Miller of Aureon Network Services (“Aureon”) and John Kuykendall, Valerie Wimer (via conference call) and Cassandra Heyne of JSI (collectively, the “Aureon Representatives”) met with Nick Degani, legal advisor to Commissioner Pai. Meeting participants discussed the AT&T Petition for Forbearance from enforcement of certain switched access stimulation rules.¹ A copy of the presentation which was discussed at the meeting is attached.

Aureon Representatives described to Mr. Degani the nature of Aureon services and network operations as a centralized equal access carrier which provides services to 200 subtending local exchange carriers. Aureon is not an incumbent or competitive local exchange carrier but is an intermediate carrier with cost-based rates subject to Commission approval. This approval process ensures just and reasonable rates that are offered under the same rates, terms and conditions to all carriers.

Aureon Representatives explained that Aureon has never engaged in access stimulation. FCC criteria requires that the LEC has an agreement with the end user. Aureon does not know the business practices of the subtending LECs and does not have any arrangements with the LECs which would allow it to engage in such practices.

Aureon Representatives also explained that the issues raised by AT&T should be handled in a notice and comment proceeding rather than in the context of a forbearance

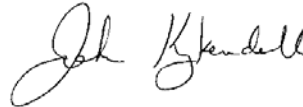
¹ Petition of AT&T Services, Inc. for Forbearance Under 47 U.S.C. §160(c) from Enforcement of Certain Rules for Switched Access Services and Toll Free Database Dip Charges, WC Docket No. 16-363, (filed Sept. 30, 2016) (“AT&T Petition”).

petition. The AT&T Petition suggests penalties beyond those that apply to local exchange carriers, and further suggests that intermediate centralized equal access carriers should be included in the definition of a local exchange carrier for the purpose of access stimulation rules. Aureon Representatives stated that it would be unreasonable to require intermediate carriers to analyze the business practices or to police traffic of each subtending local exchange carrier.

The relief requested by AT&T would constitute non-payment of tariff rates which were deemed lawful, would result in harmful impacts to Aureon and ultimately to end-user customers. For the foregoing reasons, Aureon Representatives oppose grant of the forbearance requested in the AT&T Petition.

Please direct any questions regarding the filing to the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "John Kuykendall". The signature is fluid and cursive, with the first name "John" being more prominent than the last name "Kuykendall".

John Kuykendall
JSI Vice President
301-459-7590
jkuykendall@jsitel.com

cc: Nick Degani

Attachment

AUREON DENIAL OF AT&T FORBEARANCE
***Ex Parte* Presentation**
WC Docket No. 16-363
Federal Communications Commission
January 10, 2017

Frank Hilton and Justyn Miller – Aureon Network Services
Valerie Wimer, John Kuykendall and Cassandra Heyne - JSI

AGENDA

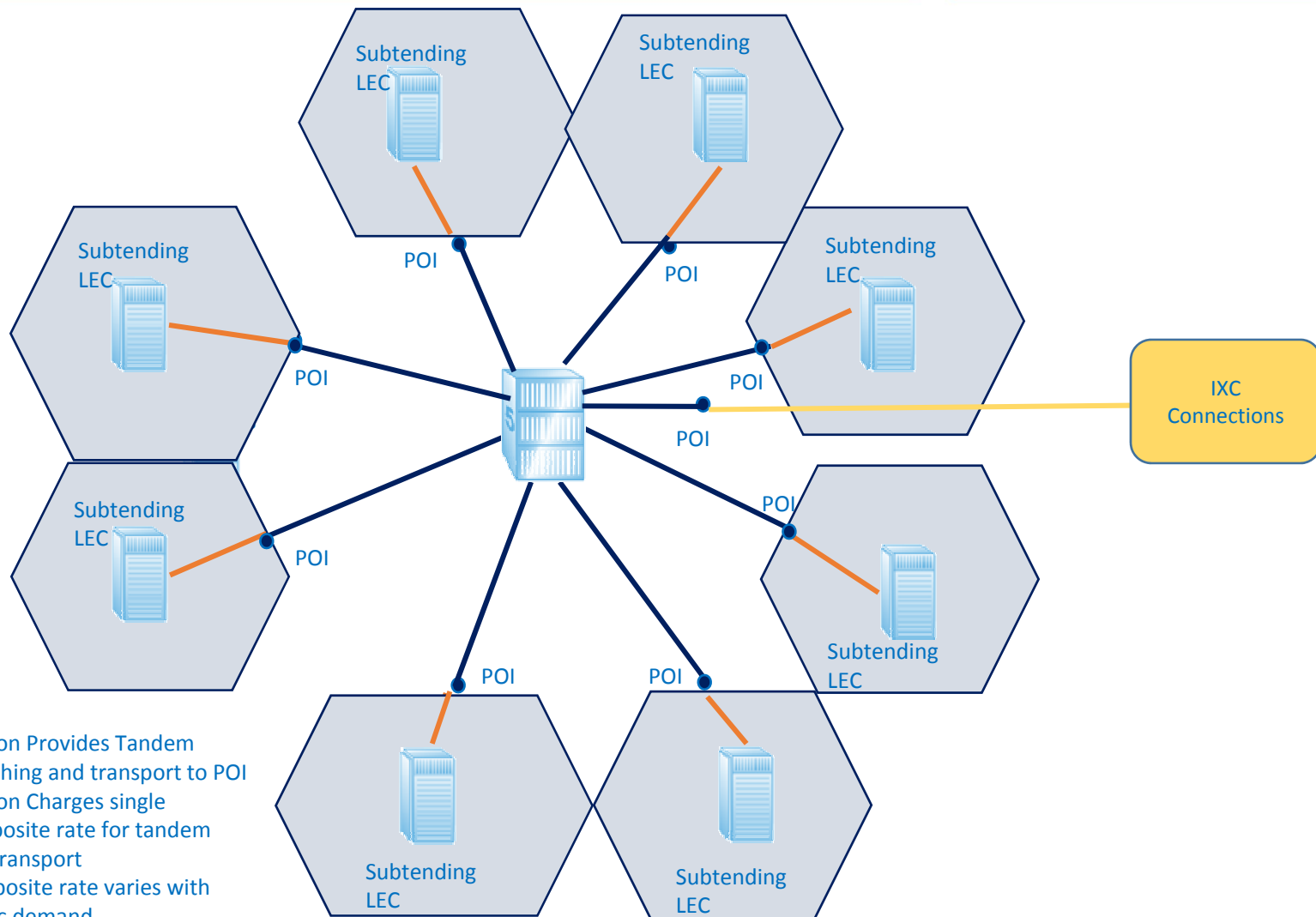


- Aureon Background
- FCC has already set rules for access stimulation
- CEA Carriers rates are subject to FCC approval
- Intermediate carriers cannot identify access stimulated traffic so IXC can take advantage of self-help

- Tandem and transport
- Centralized CARE and CDR recording
- CIC provisioning
- ASR Coordination
- Network Operations Center
- SS7
- 200 Subtending LECs
 - 100 LECs < 500
 - Plus 50 LECs < 1000

AUREON NETWORK

AUREON™



FCC HAS ALREADY SET RULES FOR ACCESS STIMULATION



- **Definition of Access Stimulation CFR 61.3 (aaa)(1)**
 - Has an access revenue sharing agreement, whether express, implied, written or oral, that, over the course of the agreement, would directly or indirectly result in a net payment to the other party (including affiliates) to the agreement in which payment by the ROR LEC or CLEC is based on the billing or collection of access charges from interexchange carriers or wireless carriers. AND
 - Has either an interstate terminating-to-originating traffic ratio of at least 3:1 in a calendar month, or
 - Has had more than a 100 percent growth in interstate originating and/or terminating switched access minutes of use in a month compared to the same month in the preceding year.
- **Limits of the Definition**
 - Defines stimulation as measured at the LEC – Aureon in its provision of CEA service **is not a CLEC or an ILEC**
 - Definition based on MOU and does not include a mileage component
 - Definition does not include intermediate carriers

FCC HAS ALREADY SET RULES FOR ACCESS STIMULATION (continued)



- FCC rules set appropriate penalties for access stimulators
 - IXC can only file complaint
 - ***Tariff rates*** must be reduced – not eliminated
 - Stimulation contracts must be cancelled to eliminate categorization as “access stimulator”
- AT&T Forbearance petition suggests penalties that are beyond those that actually apply to the stimulator:
 - No Tariff – contract only
 - Zero rate
- Other parties propose that if rules are to change, the FCC should address it in a full rulemaking proceeding.

CEA CARRIERS RATES ARE APPROVED BY FCC



- CEA carriers have authorization for their specific business practices
 - Mandatory Tandem connection
 - Rate design charged to IXCs
- Aureon's rates are cost based and approved by the FCC to ensure there are not excessive returns
 - This approval process serves the public interest by ensuring that rates remain reasonable
- A tariffed rate for CEA services promotes competition by providing the same rates, terms and conditions to all carriers
 - Large carriers leverage market power in negotiations
 - Negotiations create a barrier to entry for small carriers
- Because of CEA's concentration of traffic, rural consumers have more options, lower costs, and competitive service offerings.

INTERMEDIATE CARRIERS CAN NOT IDENTIFY ACCESS STIMULATION TRAFFIC



- FCC criteria requires that the LEC has an agreement with the end user
 - Aureon does not know the business practices of the subtending LECs
- Aureon does not analyze traffic to each subtending LECs regularly
 - Costs to identify traffic would be a burden
- Intermediate carriers should not be required to police subtending carriers
- Intermediate carriers are required under the No Blocking rule to transit all traffic delivered to the tandem
- AT&T is already applying self-help to traffic delivered to Aureon even before any determination has been made on these issues

QUESTIONS?

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Justyn Miller Justyn.Miller@Aureon.com